



February 1, 2001

HOUSE BILL No. 1810

DIGEST OF HB 1810 (Updated January 31, 2001 2:34 PM - DI 77)

Citations Affected: IC 16-46; noncode.

Synopsis: Health care professional recruitment and retention. Changes the name of the Indiana medical and nursing grant fund to the health care professional recruitment and retention fund. Defines "financial sponsor". Requires the state department of health to designate annually the counties, cities, towns, census tracts, and townships in Indiana that are underserved by specific types of health care professionals. Changes the fund to provide loan repayment for student loans incurred by health care professionals and scholarships to health care professional students to encourage the full-time delivery of health care in underserved areas. Adds grants from public or private sources as resources included in the fund. Modifies certain eligibility requirements that a health care professional must meet in order to be eligible for the repayment of student loans.

Effective: July 1, 2001.

Crosby, Budak, Becker, Dillon

January 17, 2001, read first time and referred to Committee on Public Health.
January 31, 2001, amended, reported — Do Pass.

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HB 1810—LS 7915/DI 104+



February 1, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1810

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 16-46-5-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. As used in this
3 chapter, "fund" refers to the Indiana ~~medical and nursing grant~~ **health**
4 **care professional recruitment and retention** fund.
5 SECTION 2. IC 16-46-5-4 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. As used in this
7 chapter, "~~matching grant~~" "**financial sponsor**" means a ~~grant of~~
8 ~~money, services, or an interest in property that is provided~~ **qualified**
9 **entity under section 10 of this chapter that provides money to a**
10 ~~physician or nurse by an eligible individual.~~ **health care professional**
11 **student for educational costs.**
12 SECTION 3. IC 16-46-5-6 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. As used in this
14 chapter, "shortage area" means a county, city, town, census tract, or
15 township designated by the state department as underserved by
16 ~~physicians or nurses~~ **health care professionals** under section 7 of this
17 chapter.

HB 1810—LS 7915/DI 104+



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SECTION 4. IC 16-46-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. The state department shall annually ~~designate~~ **adopt the federal designation of** the counties, cities, towns, census tracts, and townships in Indiana that are underserved by ~~physicians and those that are underserved by nurses.~~ **specific types of health care professionals as determined by the state department.** The state department shall rank these areas according to the degree each area is underserved by ~~physicians.~~ **health care professionals.**

SECTION 5. IC 16-46-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. (a) The Indiana ~~medical and nursing grant~~ **health care professional recruitment and retention** fund is established. The purpose of the fund is to provide ~~grants to physicians and nurses loan repayment for student loans incurred by health care professionals and scholarships for health care professional students~~ to encourage the full-time ~~practice~~ **delivery of medicine health care** in shortage areas. The state department shall administer the fund.

(b) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Repayments by loan recipients from the Indiana medical and nursing distribution loan fund under IC 25-22.5-9 (repealed July 1, 1987).

(3) Gifts to the fund.

(4) Grants from public or private sources.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) The fund shall be used to do the following:

(1) Provide ~~grants~~ **loan repayment and scholarships** under this chapter.

(2) Pay the costs incurred by the state department in administering this chapter.

The administrative costs paid from the fund under subdivision (2) may not exceed thirty thousand dollars (\$30,000) per year.

SECTION 6. IC 16-46-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9. ~~A shortage area, community or migrant health center, or maternal and child health clinic is eligible to apply for a grant if the area or center is seeking to recruit a physician who meets the following conditions:~~ **(a) In order to be eligible for loan repayment for student loans, a health care**

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professional must meet all of the following conditions:

(1) ~~Holds~~ **Hold** an unlimited license to practice ~~medicine or osteopathic medicine~~ **a health care profession** in Indiana ~~that~~ **has been declared by the state department to be eligible for loan repayment in a specified fiscal year.**

(2) Have either:

(A) **completed at least one (1) year of health care professional practice in a shortage area; or**

(2) ~~Agrees to:~~

(A) ~~establish:~~

(i) ~~a general practice;~~

(ii) ~~a family practice;~~

(iii) ~~a general internal medicine practice;~~

(iv) ~~a general pediatrics practice; or~~

(v) ~~an obstetrics or gynecology practice; or~~

(B) **work worked at least one (1) year at a community or migrant health center or maternal and child health clinic in any area of medicine listed in subdivision (2)(A); in a shortage area: a shortage area.**

(3) **Practice in a health care profession that has been declared eligible by the state department for loan repayment in a specified fiscal year.**

(b) **In order to be eligible to receive a scholarship, a health care professional student must do the following:**

(1) **Apply to the state department.**

(2) **Be enrolled at the time of application in a health professional degree or certificate program that has been approved by the state department for scholarship purposes.**

(3) **Meet academic requirements established by the state department.**

(4) **Plan to complete the health care professional degree or certificate program in which the student is currently enrolled.**

(5) **Plan to practice as a health care professional in an Indiana shortage area.**

(6) **Provide evidence of financial sponsorship by the fiscal body of an Indiana shortage area in the amount or proportion required by the state department.**

(7) **Meet other requirements established by the state department.**

SECTION 7. IC 16-46-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. ~~A:~~ (a) **The following entities qualify as financial sponsors of a health care**



professional student if the entities meet the requirements under subsection (b):

- (1) A fiscal body of a shortage area.
- (2) A community or migrant health center that is located in a shortage area.
- (3) A hospital licensed under IC 16-21 that is located in a shortage area.
- (4) A health facility under IC 16-28 that is located in a shortage area.
- (5) A maternal and child health clinic located in a shortage area.
- or
- (6) A nurse managed clinic or rural health training center located in a shortage area.
- (7) An area health education center located in a shortage area.
- (8) A local health department (as defined in IC 16-18-2-211) that is located in a shortage area.
- ~~(6)~~ (9) Any combination of the entities described in subdivisions (1) through ~~(5)~~;

is eligible to apply for a grant if the entity is seeking to recruit a registered nurse who agrees to become employed by the entity in a shortage area. In addition, the entity must provide evidence demonstrating that the grant is to be used as a supplement to and not a replacement of the salary that would normally be paid for an equivalent position: (8).

(b) An entity described in subsection (a) qualifies as a financial sponsor if the entity commits in writing to both the health care professional student and the state department that the entity will do the following:

- (1) Fund an amount determined under subsection (c) of the student's postsecondary educational expenses, including the following:
 - (A) Tuition.
 - (B) Educational fees.
 - (C) Educational materials.
 - (D) Living expenses.
- (2) Employ or find employment for the student on a full-time basis as a health care professional upon the student's successful completion of an academic, a licensure, or a certification program in the health care profession for which the student is sponsored.

(c) To receive a scholarship, a fiscal body described in subsection (a) must contribute a matching scholarship in an



amount that is equal to the lesser of the following:

(1) At least fifty percent (50%) of the initial state department scholarship.

(2) Two thousand five hundred dollars (\$2,500).

(d) Financial sponsorship may be satisfied in whole or in part by:

(1) a grant;

(2) a scholarship; or

(3) private foundation support;

if there is not a conflict with sources of state health care professional scholarship funds.

SECTION 8. IC 16-46-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 11. ~~An entity described in section 10 of this chapter~~ (a) A health care professional must apply for a ~~grant~~ **loan repayment** on an application form supplied by the state department.

(b) A health care professional student must apply for a scholarship on an application form prescribed by the state department.

SECTION 9. IC 16-46-5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 12. The state department shall consider each application and determine the following:

(1) The eligibility of the applicant ~~under section 9 or 10 of this chapter~~ **for the program under which the application is submitted.**

(2) The extent to which the shortage area or eligible entity located in a shortage area is underserved, according to the rank given the shortage area under section 7 of this chapter.

SECTION 10. IC 16-46-5-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 13.5. (a) The state department may award an annual loan repayment in an amount not greater than the documented amount of the student loans incurred by a health care professional.

(b) The state department may award a scholarship to a health care professional student in an amount not greater than the documented cost of the student's:

(1) tuition;

(2) educational fees;

(3) educational materials; and

(4) living expenses.



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SECTION 11. IC 16-46-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 16. The state health commissioner may waive a shortage area from the requirements of ~~sections 13 and 15~~ **section 10** of this chapter if the state health commissioner determines that the following conditions exist:

- (1) The shortage area is economically distressed.
- (2) The medical needs of the shortage area cannot be met without a waiver.

SECTION 12. IC 16-46-5-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 18. The state department shall file an annual report with the governor and the general assembly on the following:

- (1) The receipt, disbursement, and use of funds.
- (2) The identification of shortage areas.
- (3) The number of applications for ~~grants~~ **loan repayment and for scholarships by the following categories:**

(A) Profession.

(B) Specialty.

(C) Underserved area to be served.

- (4) The number and amount of ~~grants~~ **loan repayments and scholarships** provided by the state department.

SECTION 13. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2001]: IC 16-46-5-13; IC 16-46-5-14; IC 16-46-5-15; IC 16-46-5-17.

SECTION 14. [EFFECTIVE JULY 1, 2001] **(a) After June 30, 2001, any reference to the Indiana medical and nursing grant fund in any statute, rule, or ordinance shall be treated as a reference to the Indiana health care professional recruitment and retention fund.**

(b) By June 30, 2002, the state department of health, in compliance with IC 4-22-2, shall amend 410 IAC 23-1 to change the name of the Indiana medical and nursing grant fund to Indiana health care professional recruitment and retention fund.

(c) On July 1, 2001, any remaining funds in the Indiana medical and nursing grant fund shall be transferred to the Indiana health care professional recruitment and retention fund.

(d) This SECTION expires July 1, 2002.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1810, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 1, delete "either" and insert "**meet all of the following conditions**".

Page 3, delete lines 2 through 20, begin a new line block indented and insert:

"(1) ~~Holds~~ **Hold** an unlimited license to practice ~~medicine or osteopathic medicine~~ **a health care profession** in Indiana ~~that has been declared by the state department to be eligible for loan repayment in a specified fiscal year.~~

(2) **Have either:**

(A) **completed at least one (1) year of health care professional practice in a shortage area; or**

(2) ~~Agrees to:~~

(A) ~~establish:~~

(i) ~~a general practice;~~

(ii) ~~a family practice;~~

(iii) ~~a general internal medicine practice;~~

(iv) ~~a general pediatrics practice; or~~

(v) ~~an obstetrics or gynecology practice; or~~

(B) ~~work~~ **worked at least one (1) year** at a community or migrant health center or maternal and child health clinic in ~~any area of medicine listed in subdivision (2)(A); in a shortage area; a shortage area.~~

(3) **Practice in a health care profession that has been declared eligible by the state department for loan repayment in a specified fiscal year."**

and when so amended that said bill do pass.

(Reference is to HB 1810 as introduced.)

BROWN C, Chair

Committee Vote: yeas 14, nays 0.

